NSC BRIEFING

NEAR EAST ROUNDUP

- I. In Egypt, Premier Nasr is still riding high on domestic enthusiasm generated by his arms deal.
 - A. Less and less being heard of or from other Revolutionary Command Council members.
 - B. However, setbacks for Nasr regime may be in store.
 - C. Most serious threat is possible new military action by Israelis--especially if Syria hit again.
 - 1. This would amount to Israel's calling Nasr's mutualdefense bluff, force him to initiate some counteraction of his own.
 - 2. Egyptian military action in immediate future would probably bring disaster, downfall of Nasr.
 - D. Meanwhile, Wasr still on fence in foreign affairs.
 - 1. He emphasizing "independence" of Egypt's position, attempting with some success to do business with both East and west--witness Aswan dam negotiations.
 - II. Along Israel's frontier, new element is serious tension with Syria, following 11-12 Dec Israeli raid across Lake Tiberias (Galilee).
 - A. Elsewhere on frontier, General Burns making significant progress in bringing Israel and Egypt closer to exem modus vivendi on Gaza and El Auja.
 - B. Israelis, however, have modified language slightly on subject frontier adjustments.

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- 1. Ben Gurion has hinted at "give-and-take" attitude on boundaries.
- III. However, latest Israeli move-- "package" deal with Arabs (publicized 19 Dec) -- will not be acceptable to Arabs.
 - A. Press reports that Israeli "package" offers transit rights,
 port privileges to Egypt and Jordan, offers possiblity of
 "mutual adjustments" on frontier and compensation to refugees.
 - B. In contrast, Egypt wants corridor across Negev (specifically barred in Israeli offer).
 - C. Further sticking-point is general Arab stand that refugees wanting to return to land in Israel be allowed to do so.

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IV. Possible element of real danger in Arab-Israeli situation is division on tactics within Israeli government itself.

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B. Pressures to swing Iraq back into Arab world will increase, and Baghdad government is likely to be even more insistent than now that its position be bolstered by bigger and better arms deliveries from west.